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PSC WILL NOT ATTEND FEDERAL INQUIRY INTO REGIONAL TRANSMISSION ORGANIZATION ISSUES

Cites cases pending in Kentucky

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FRANKFORT – The Kentucky Public Service Commission has declined an invitation from the Federal Energy Regulatory Commission (FERC) to attend a meeting to discuss issues regarding regional transmission organizations. The meeting is scheduled for September 29-30.

In declining the invitation, PSC Chairman Martin Huelsmann noted that participation in the FERC discussions would pose a conflict with the PSC's consideration of several pending cases.

"It would be inappropriate for us, or for our staff, to comment upon matters before this Commission," Huelsmann wrote in a September 22 letter to FERC Secretary Magalie Salas.

On September 12, FERC opened an inquiry into how to resolve interstate disputes over the membership of utilities in the Midwest Independent System Operator (MISO) and the PJM Interconnection, both of which are regional transmission organizations, or RTOs.

The Kentucky PSC has before it cases involving the membership of Kentucky Power Co. (a subsidiary of American Electric Power) in PJM and Louisville Gas & Electric Co. and Kentucky Utilities in MISO. In July, the PSC turned down Kentucky Power's request to join PJM and opened an investigation into whether LG&E and KU should continue as members of MISO. Rehearing has been granted to consider new evidence in the Kentucky Power case.

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In his letter, Huelsmann also expressed concern over the speed at which FERC is proceeding with its inquiry. He noted that the issues of RTO membership and electric transmission restructuring are before Congress as part of the debate over energy legislation.

"The outcome of that debate is uncertain at this time," Huelsmann wrote. "In addition, the August 14, 2003, blackout highlights the high stakes involved and raises questions as to whether smaller transmission control areas are not preferable to larger ones.

"The large volume of information that the Midwest ISO and PJM were processing may have contributed to the blackout that crippled portions of the Midwest and Northeast," he said. "Perhaps the results from the investigations into the blackout should be available prior to action on this or any other issue regarding RTO membership."

PSC orders and other documents in the pending cases are available on the PSC Web site: psc.ky.gov. The case numbers are 2002-00475 (Kentucky Power-PJM) and 2003-00266 (LG&E/KU-MISO).

